

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

November 9, 2004

CENTRAL MAINE POWER COMPANY  
Request for Approval of Special Rate  
Contract for a Customer Service Agreement  
With Jefferson D. Merrill

Docket No. 2004-624

ORDER APPROVING  
SPECIAL CONTRACT

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WELCH, Chairman; DIAMOND, and REISHUS Commissioners

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**I. SUMMARY**

In this Order, we approve a special services contract between Central Maine Power Company (CMP) and Jefferson D. Merrill. Under the special contract, Mr. Merrill has agreed that his residence will be served by CMP. As decided below, CMP's service area will now include the location of the Merrill residence.

**I. DISCUSSION**

On July 30, 2004, Jefferson D. Merrill filed a complaint with our Consumer Assistance Division claiming he had contacted the Kennebunk Light and Power (KL&PD) and requested electric service, because his closest neighbor is served by KL&P. The closest CMP facilities from which he could be served are 600 feet away, which would require the placement of three poles; KL&PD would need to place two poles to serve Mr. Merrill's house. CMP estimated it would cost Mr. Merrill approximately \$3,000 for CMP to serve his property. KL&P advised the customer that the net cost of construction would be \$1,412 for KL&PD to serve the location.

Under 35-A M.R.S.A. §§ 2102 and 2105, as interpreted by prior Commission decisions, a utility must obtain Commission approval to serve any area which it was not serving in 1967. KL&PD's charter also states that the District must obtain Commission approval to provide service in the Town of North Kennebunkport (now Arundel). During discussion in this case leading to the present agreement between CMP and Mr. Merrill,

both CMP and KL&PD made arguments that the location was presently within their respective service areas.<sup>1</sup> We do not decide whether the location presently is within CMP's existing service area. Because Mr. Merrill has agreed that CMP will serve him, we decide under 35-A M.R.S.A. § 2102 that his residence now will be part of CMP's service area. KL&PD has indicated it will not contest the agreement between CMP and Mr. Merrill. We therefore have no need to decide whether the Merrill residence is within KL&PD's present service area.

The parties have reached an agreement under which CMP will construct a line extension that will serve Mr. Merrill but charge him substantially less than he would pay under CMP's line extension Terms and Conditions. This agreement is embodied in a "special contract."<sup>2</sup> In the contract language, CMP justifies providing a lower price "in order to keep the Customer from seeking an alternative to the Company's electric delivery service while providing the Company an opportunity to serve additional new customers for the benefit of the Customer, the Company and its other customers." In addition, based on information from the Staff, which met with all the parties in interest, CMP (as well as Mr. Merrill and KL&PD) wishes to avoid potentially lengthy and difficult litigation over the issues of whether either utility can claim that the Merrill residence is presently within its service area or, if neither utility can establish such a claim, which utility the Commission should decide will serve that location. We find that these justifications for the special contract are reasonable.<sup>3</sup>

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<sup>1</sup> The Orders in *Public Utilities commission, Investigation of Authority of Madison Electric Works' Pursuant to Section 1303 to Provide Service to Certain Portions of Madison, Anson, Starks and Norridgewock Without Approval Pursuant to Sections 2102 and 2105*, Docket No. 94-379, Order (August 4, 1995) and *Public Utilities Commission, Investigation Pursuant to 35-A M.R.S.A. Section 1303 of Authority of Kennebunk Light and Power district to Provide Service in Certain Portions of Kennebunk*, Docket No. 95-148, Order (July 16, 1997) both discussed the concept that a utility might have an "effective service area" beyond its existing service locations, but in both cases we did not find it necessary to adopt that concept.

<sup>2</sup> 35-A M.R.S.A. § 703(3-A) requires Commission approval of all special contracts.

<sup>3</sup> 35-A M.R.S.A. § 702(1) states that it is "unlawful for a public utility to give any *undue or unreasonable* preference, advantage, prejudice or disadvantage to a particular person." (emphasis added).

Accordingly, we

APPROVE

The special services contract described above, and entered into by Central Maine Power Company and Jefferson D. Merrill.

Dated at Augusta, Maine, this 9<sup>th</sup> day of November 2004.

BY ORDER OF THE COMMISSION

Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR: Welch  
Nugent  
Diamond

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.